

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
(317) 232-9855

**FISCAL IMPACT STATEMENT**

**LS 7161**

**BILL NUMBER: HB 1782**

**DATE PREPARED: Jan 9, 2001**

**BILL AMENDED:**

**SUBJECT:** Property tax exemptions for aircraft.

**FISCAL ANALYST:** Bob Sigalow

**PHONE NUMBER:** 232-9859

**FUNDS AFFECTED:**      **GENERAL  
DEDICATED  
FEDERAL**

**IMPACT:** Local

**Summary of Legislation:** This bill limits the commercial passenger aircraft property tax exemption to aircraft located in Allen County.

**Effective Date:** January 1, 2001 (retroactive).

**Explanation of State Expenditures:**

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** Under current law, commercial passenger aircraft is assessable as personal property. The value of the aircraft is apportioned to Indiana on the basis of ground time in Indiana compared with ground time outside of Indiana. Currently, commercial passenger aircraft in Allen and St. Joseph Counties are exempt from property taxation if the aircraft is located in the county solely for the purpose of maintenance. This bill would limit the exemption to Allen County, making any such property taxable in St. Joseph County.

There does not appear to be any taxpayers who are taking advantage of this exemption in St. Joseph County at this time. With that assumption, this bill would have no immediate fiscal impact. If any taxpayers are taking advantage of the exemption, this bill would have one of two effects: 1) The taxpayer(s) would continue operations as usual and the apportioned AV of the Aircraft would be added to the tax base, thereby reducing the tax rate; or 2) The taxpayer(s) would discontinue maintenance operations in St. Joseph County with no effect on the tax rate.

**State Agencies Affected:** State Board of Tax Commissioners.

**Local Agencies Affected:** St. Joseph County.

**Information Sources:**